

KENTUCKY AGRICULTURAL DEVELOPMENT FUND UPDATE

SEPTEMBER 12, 2006

Cultivating Rural Prosperity

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Board Meetings in Review

At their July and August meetings the Agricultural Development Board approved \$9,567,341 for agricultural diversification in the Commonwealth.

\$5,522,430 in state and \$481,672 in county funds were approved 10 non-model projects. These projects ranged in scope from live-stock marketing facilities to agriculture leadership training.

The remaining funds (\$3,563,239 in county funds) were for 10 of the 13 county model programs. The following are the July & August 2006 commitments and the counties committing:

Agricultural Diversification - \$446,976:

Boone, Bracken, Carter, Fayette, Grant, Henderson, Johnson, Knox, Laurel, Logan, Magoffin, Marion, Mercer, Nicholas

Cattle Genetics Improvement - \$281,688:

Allen, Breckinridge, Carter, Grant, Hancock, Henderson, Lewis, Logan, Nicholas, Robertson

Cattle Handling Facilities - \$447,238:

Allen, Breckinridge, Carter, Grant, Hancock, Henderson, Knox, Marion, Nicholas

Dairy Diversification - \$5,000:

Logan

Farm Livestock Fencing - \$269,760:

Carter, Grant, Nicholas

Forage Improvement - \$391,380:

Breckinridge, Carter, Fayette, Grant, Hancock, Nicholas

Goat & Sheep Diversification - \$92,750

Boyle, Carter, Clark, Grant, Marion, Taylor



Gardner Farms hogs (LaRue Co.) take time out to pose for a photo.

[photo: S. P. Gardner]

Hay, Straw, & Commodity - \$887,567:

Allen, Bullitt, Butler, Carter, Grant, Hancock, Larue, Logan, Marion, Nicholas, Robertson, Rowan, Todd

On-farm Water - \$149,568:

Breckinridge, Bullitt, Fayette, Nicholas

Technology - \$10,000:

Logan

Model Menu Approaches - \$581,712

Anderson, Bracken, Campbell, Logan, Magoffin

The Board met jointly with the Kentucky Agricultural Finance Corporation for their July meeting. Both Boards toured the Little Kentucky Smokehouse facility

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KAFC Update

The Kentucky Agricultural Finance Corporation has a new program to add to its growing list of financing programs available.

The **Coordinated Value-Added Assistance Loan Program** is designed to provide loan opportunities to companies and individuals in Kentucky who create contract production opportunities for other agricultural producers.

KAFC will provide and/or participate in loans to entities with operations in Kentucky that are expanding their contracting opportunities with Kentucky farmers. Funding will be made avail-

able to entities interested in any of the following: renovating or expanding existing facilities, acquiring equipment or obtaining permanent working capital to facilitate an expansion.

KAFC will facilitate loans of up to \$1,000,000 through this program with a limit of \$100,000 for each new grower opportunity created.

For more information on the program guidelines or to obtain an application, contact Tim Hughes at (502) 564-4627 or visit kafc.ky.gov. ♦



Right: Trees at Jimmy Stockdale's nursery farm. Stockdale received funds through the Beginning Farmer Loan Program. Above: Keith L. Rogers, GOAP Executive Director, joins in the Kentucky BioProcessing "tobacco cutting" ceremony. KBP received funds through the Agricultural Processing Loan Program. Below: Agricultural Infrastructure Loan Program freestall dairy barn (Barren Co.).



Processing Facility RFP

The Kentucky Agricultural Finance Corporation (KAFC)...desires to lease an approximately 56,000 square foot facility (including 12,500 of covered, open space) (the Facility) in Owensboro, Kentucky. The Facility was previously owned by West Kentucky Grower Cooperative, Inc., a cooperative of area farmers engaged in fresh-market vegetable production.

The facility is now owned...by KAFC and is free of any lien or encumbrance. KAFC is soliciting proposals from parties interested in reopening the facility and engaging in activities that will benefit Kentucky farmers.

The desired objective is a three-year lease agreement commencing January 1, 2007 with an option to purchase at the end of the lease. Each Bidder will include in the proposal the specified lease payment and proposed purchase price for the facility...The benefit to Kentucky farmers can be associated with the production of any agricultural commodity.

The complete RFP can be found at kafc.ky.gov. The deadline for submission is 4:30 p.m. October 2, 2006. All proposals should be sent to:

Kentucky Agricultural Finance Corporation

ATTN: Joel Neaveill
404 Ann Street
Frankfort, KY 40601

GOAP News

ROUNDTABLES A SUCCESS!

This summer the Governor's Office of Agricultural Policy (GOAP) hosted Regional Roundtable Discussions across the Commonwealth.

A total of 240 Extension agents, county council members, and agricultural leaders joined GOAP staff at the 13 Roundtables to discuss issues being faced at the county level.

"I am pleased with how the Roundtables went," stated Keith

Rogers, Executive Director. "The Agricultural Development Fund and its programs are shaped by the input of local agricultural leaders at events such as this."

As Fall approaches, the Agricultural Development Board prepares for its annual planning meeting. The Board will be using the feedback from the Roundtables to help shape the future of programs and policies. ♦

KCADE Korner



Entrepreneurship Workshops

We have teamed up with the Kentucky Entrepreneurial Coaches Institute, headed by Dr. Ron Hustedde, to offer two one-day workshops titled "Creating an Entrepreneurial Culture in Your Community." These workshops are for anyone interested in supporting entrepreneurial endeavors in your area.

Karen Dabson, Director of Program Development for the national Center for Rural Entrepreneurship, will present an overview of entrepreneurship as an effective economic development strategy for rural Kentucky. Dabson will also help participants begin to develop a blueprint for identifying, engaging, and energizing entrepreneurs in their community.

In the afternoon, Kentucky entrepreneurs from each area will share their experiences in starting their businesses. Dr. Ron Hustedde of KECI will cover ways to stimulate entrepreneurship on a local level, with FFA entrepreneurs, sharing their experiences, to round out the day.

The workshops will be held on the following dates at the listed locations with registration/check-in beginning at 9:00 AM local time:

Thursday, September 21, Barren River Lake State Resort Park
(9:30 AM - 3:30 PM CDT)

Friday, September 22, Buckhorn Lake State Resort Park
(9:30 AM - 3:30 PM EDT)

To register, contact Sandy Gardner at (502) 564-4627 or sandrap.gardner@ky.gov or visit <http://agpolicy.ky.gov/>. ♦

Model Scoop

REPORTING TRICKS & TIPS

How is a producer's reimbursement figured when labor is 25% of the producer's match?

According to the model cost-share program guidelines, producer labor can only count as 25% of a producer's match and is calculated at \$16/hour. The answer to the above question is best given as an example.

Let's say the producer submitted receipts for building expenses totaling \$1,024.04 and labor totaling \$384 (\$16 x 24 hours). Thus the total project cost is \$1,408.04. 25% of this amount is \$352.01; therefore, only \$352.01 is allowable match. Adding the allowable labor to the building expenses brings the total project cost to \$1,376.05, of which 50% for reimbursement is \$688.03.

Recap:

- 1) ("Labor" + "materials") / 4 = "allowable labor" (25% of total project)
- 2) ("Allowable labor" + "materials") / 2 = "reimbursement amount" (not to exceed maximum allowable cost-share)

PROGRAM UPDATES

GENETICS PROGRAM

Guidelines

//-C(2) has been reinstated, as of 7/1/2006

Producers submitting applications to their local administrator after 6/30/2006 must follow all guidelines, including purchasing their bull after application submission.

Phase II Update

On July 1, 2006, over 21,000 claim forms were mailed to 2003 quota owners of eligible farms, as part of the **2006 Kentucky Tobacco Quota Owner Amnesty Program**.

Through this program, 8,029 forms were successfully certified claiming a total of 7.9 million available pounds. The total payout of approximately \$1.8 million will be mailed the week beginning September 11, 2006.

The funding for the Amnesty Program comes from the Kentucky Agricultural Development Fund. ♦



Board in Review

(Continued from page 1)

and dined in their newly renovated grain bin, which is now a dining facility.

At its August meeting, the Board received an update from the Kentucky Horticulture Council when the Board met during the Kentucky State Fair.

The Board will be holding their September meeting at Kentucky State University and will be touring the aquaculture facility there. The meeting begins at 10:00 a.m. EDT

View the [July & August Board press releases](#) for summaries on the projects approved, or call our office at (502) 564-4627. ♦



Web Updates

County Account Availability (8/25/2006):

<http://agpolicy.ky.gov/funds/availability.shtml>

GOAP Calendar:

<http://agpolicy.ky.gov/calendar.shtml>

KAFC Programs: <http://kafc.ky.gov/>

Model Program Counties:

http://agpolicy.ky.gov/funds/funded_model_programs.shtml

Other Funding Opportunities:

<http://agpolicy.ky.gov/kcade/grant.shtml>

RFP—Processing Facility in Owensboro:

http://kafc.ky.gov/kafc_rfp_wkqc-facility.shtml

County Funds

July 1 began the 2007 fiscal year at GOAP. With that, the county expenditures, interest income, returns and revenues on the "County Account Availability" spreadsheet were "reset."

FISCAL YEAR 2006 HIGHLIGHTS

The county accounts earned nearly \$600,000 in interest income. A total of \$28.6 million in county grant payments was made. Over \$5 million in county returns was processed back into the county accounts. ♦

FUTURE MEETINGS

KADF Board Meeting

*Friday, Sept. 15
Kentucky State Univ.
Frankfort*

KY Agricultural Finance Corporation

*Friday, Oct. 6
Frankfort*

Tobacco Settlement Oversight Committee

*Tuesday, Oct. 10
Frankfort*

***Meeting locations & times
subject to change ***

agpolicy.ky.gov



GOAP Farewell

Almost one year ago, Jessica

Woolums joined GOAP as records manager and assistant to the Project Analysts. Now we prepare to say farewell to Jessica who will be leaving us in October to join the Kroger Corporation in Louisville. We wish Jessica the best in her new endeavor.

